



# Financial Report 2019

28 February 2020

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## Notes

The interim financial information presented in this document has been prepared in accordance with International Financial Reporting Standards (IFRS). This information is unaudited and may be modified in the future. This document does not constitute an offer, invitation or recommendation to acquire, sell or exchange shares or to make any kind of investment. Sacyr is not responsible for damage or loss of any kind arising from any use of this document or its content.

In order to comply with the Guidelines on Alternative Performance Measures (2015/1415en) published by the European Securities and Markets Authority (ESMA), the key Alternative Performance Measures (APMs) used in preparing the financial statements are included in the Appendix at the end of this document. Sacyr considers that this additional information improves the comparability, reliability and comprehensibility of its financial information.

## I. Highlights 2019

### Corporate

#### Shareholder Remuneration

During 2019, the group continued the agreed shareholder remuneration strategy, with the payment of two scrip dividends.

- In the first, distributed in February, shareholders could either: (i) sell Sacyr their rights to receive free shares at a guaranteed fixed price of 0.051 euros gross per right, or (ii) receive one new share for every 35 existing shares held.
- In the second, paid in July, shareholders could either: (i) sell Sacyr their rights to receive free shares at a guaranteed fixed price of 0.054 euros gross per right, or (ii) receive one new share for every 39 existing shares held.

In 2019, the total remuneration received by shareholders increased by 2% compared to the remuneration received in 2018.

After the close, continuing the company's shareholder remuneration strategy, the group paid out another scrip dividend. Shareholders could either sell the company their rights to receive free shares for a guaranteed fixed amount of 0.056 euros gross per share or receive one new share for every 46 existing shares held.

#### Divestment and Asset Rotation

The year 2019 has been a very important year for the group in terms of divestment and asset rotation, with cash proceeds of more than 400 million euros. The following are some of the main transactions:

- In February, Sacyr disposed of its entire holding in Itínere Infraestructuras for 202 million euros.
- In June, Sacyr completed the sale of 49% of its special vehicle that holds interests in seven concession assets in Chile to Toesca Infraestructuras SC Fondo de Inversión.

The total amount of the transaction was 440 million euros (including debt). Given that the group still holds 51% of said company, for accounting purposes the sale was recorded as described below:

- Capital gains on disposal: the gains are not recognised in the income statement but are booked as a positive adjustment in equity.
- Cash flow statement: the sale is not recorded under divestments but is recognised under cash flows from financing activities (equity instruments).

In the net debt chart, however, the sale is included in disinvestments in order to show more clearly the overall trend in net debt.

- During the last quarter of the year, as part of its policy of rotating mature assets, Sacyr completed the sale of nine power plants located in southern Spain for a total of approximately 150 million euros, including debt. Sacyr Industrial will retain the operation and maintenance of these plants.
- During the last quarter of the year, Sacyr completed the sale of water assets and certain properties it held in Portugal for 70 million euros.

After the close:

Sacyr sold 95% of the “Guadalmedina toll road” for approximately 455 million euros, including debt. The transaction was divided into two parts:

- (i) The first part, for the 47.5% of the asset, where the agreement for the sale and purchase was announced in October 2019, and the sale was completed after the close, in 2020.
- (ii) The second part, for another 47.5% of the asset, with the sale and purchase agreement signed after the close and will be materialised in 2020 when the conditions precedent to the agreement are satisfactory fulfilled.

With this transaction, the Sacyr Group maintains a 5% interest in the Spanish assets and will operate and manage the related concession.

## Capital Markets

- **Issue of 175 million euros of convertible bonds**

In April, Sacyr successfully issued 175 million euros of five-year convertible bonds with an annual fixed interest rate of 3.75% and a conversion premium of 35% with respect to the closing price on the day of issue.

The issue, originally planned to be 150 million euros, was well received on the market. The deal was several times oversubscribed, with orders received from more than 65 investors in 13 different countries.

These figures bear out investor confidence in Sacyr's strategy and the group's solid performance since the last time it borrowed in the convertible bonds market.

- **Redemption of 250 million euros of convertible bonds.**

In May the group redeemed a total of 250 million euros of convertible bonds maturing on 8 May 2019. The bonds accrued an annual coupon of 4%.

## Panama

In March, Sacyr settled the second and last tranche of the advanced payments, amounting approximately 125 million euros. This second payment marks the completion of the repayment of advances to the Panama Canal Authority.

However, the GUPC group is still awaiting the resolution of approximately 5,200 million dollars in claims in various arbitration processes at the International Chamber of Commerce (ICC) in Miami. A positive impact on cash is expected at the end of each arbitration proceeding.

From the standpoint of operations, in June the GUPC consortium, led by Sacyr, completed the three-year maintenance period for the third set of locks of the Panama Canal. In these 36 months, nearly 6,500 vessels have sailed through the new Canal, which has registered an availability of 99.97%, surpassing the contractual obligation to reach 99.6%.

Furthermore, there have been no incidents during this time attributable to GUPC. The vessels that sail through the neopanamax locks represent 51% of the Canal's revenues

from tolls, due to their greater cargo capacity. The larger size of vessels represents 3.4 times more tonnes per transit compared to the original locks. The Canal offers a daily average transit rate of around 7.5 vessels in the neopanamax locks, but as many as 12 vessels have sailed through in a single day.

### **“Sacyr Concessions” Investor Day**

In June, Sacyr showcased its concessions business, with the aim of giving greater visibility to this area, which is the driver and focus of the Sacyr Group’s growth. The presentation covered the business’s main strategic lines, value creation, growth opportunities, business valuation, etc., with the aim of increasing this area’s visibility in the market. All this information is available on our website ([http://www.sacyr.com/es\\_es/canales/canal-shareholders-e-inversores/informacion-economico-financiera/investor-day/](http://www.sacyr.com/es_es/canales/canal-shareholders-e-inversores/informacion-economico-financiera/investor-day/)).

The concession business strategy rests on three fundamental pillars: (i) vertical integration to generate value at all stages in the life cycle of a concession (opportunity selection, consortium formation, bid preparation, award, design, financing, construction and operation), (ii) optimisation of the financial strategy and (iii) asset rotation.

Sacyr Concessions is the fourth ranked developer of greenfield projects and is the world’s seventh largest transport infrastructure concessionaire, according to the prestigious journal *Public Works Financing*.

The percent contribution of concession assets to the group’s EBITDA has been increasing. At 31 December 2019, more than 538 million euros came from concession assets, which is 80% of the group’s total EBITDA.

### **Active management of the interest in Repsol**

During 2019, the Sacyr Group continued to actively manage its investment in Repsol. To maximise its investment, which is fully protected by three financial derivative structures, it has closed the economic exposure of 22.5 million euros of options, resulting in a cash inflow of more than 70 million euros.

## Consolidation in Strategic Markets

### CHILE

- Sacyr has been awarded the construction and operation of the “**Ruta 66 - Camino de la Fruta**” toll road in Chile, with an approximate backlog, between construction and operation, of more than 3,000 million euros and an investment of 519 million euros.
- Sacyr has been awarded the concession for the new “**Los Vilos – La Serena**” segment of Route 5 in Chile, which is expected to add 1,195 million euros to the backlog.
- Sacyr has been awarded the construction of two new hospitals, “**Provincia Cordillera**” and “**Sótero del Río**”, both in Chile, for a combined total of 481 million euros.
- Sacyr has been awarded the expansion and operation of the “**Chacalluta Airport**” in Chile, which will add an estimated 264 million euros to the backlog.

### Uruguay

- Sacyr has been awarded the construction and operation of the “**Ferrocarril Central**” in Uruguay, with a backlog of approximately 2,200 million euros and an 18-year concession term, with a construction budget of more than 735 million euros.

### Paraguay

- Sacyr has been awarded the operation and maintenance of “**Routes 2 and 7**” in Paraguay for a term of 27 years.

### Peru

- Sacyr has been awarded the construction of the “**Moquegua 1 and Moquegua 3**” hydroelectric plants for a total of approximately 102 million euros.

- Sacyr has been awarded various contracts for the construction and start-up of the “**Quellaveco mine**” in Peru
- Sacyr has been awarded the management and upkeep of **two road corridors** in Peru for a combined total of 18 million euros.

## **Mexico:**

- Sacyr has been awarded the contract for supplementary services in “**Tláhuac General Hospital**” in Mexico.

## **USA**

- Sacyr has been awarded the rebuilding and expansion of the “**IH35E interstate highway**” in Texas, with a budget of 102 million euros.

## **Australia**

- Sacyr has been selected to expand the “**Neerabup water purification plant**” in Australia.

## **Italy**

- Sacyr has been awarded the remodelling of the “**Mangiagalli and Regina Elena Polyclinic Hospital**” in Milan for approximately 155 million euros.

## **Portugal**

- Sacyr has been awarded the construction of a stretch of the “**Portuguese high-speed train system**” for 130 million euros.

## **United Kingdom**

- Sacyr has been awarded the contract to extend the “**Edinburgh tram**”, with a total budget of 120 million euros.

## **Spain**

- Sacyr has been awarded **street cleaning and waste collection services in Santa Cruz de Tenerife** for a total of approximately 142 million euros.

- Sacyr has been awarded new **residential construction** contracts in various cities for a total of 125 million euros.
- Sacyr has been awarded the construction of the “**Los Arejos – Níjar**” section of the high-speed train line in Almería for a total of approximately 98 million euros.
- Sacyr has been awarded various maintenance, electrification and construction contracts on various **railway lines** for 96 million euros.
- Sacyr has been awarded the cleaning contract for **Terminals 1 and 2 of Barcelona Airport** for 70 million euros and the cleaning contract for “**Adolfo Suarez Madrid – Barajas Airport**”, Phase IV, lot 1, for a total of 34 million euros.
- Sacyr has been awarded **street cleaning, beach cleaning, urban waste collection and other contracts in the municipality of Teide, Gran Canaria** for a total of 55 million euros and a 15-year term.
- Sacyr has been awarded the construction of the new building linking **Terminals 1 and 2 of Tenerife South Airport** in the Canary Islands for a total of approximately 44 million euros.
- Sacyr has been awarded the construction and maintenance of the **Madrid–León high-speed rail** lines for a total of approximately 43 million euros.

#### **Projects awarded after the end of the reporting period:**

- Sacyr Engineering and Infrastructures has been awarded, by the Texas Department of Transportation (TxDOT), the contract to build a 13.2-kilometre relief “**Route for the US59 road**” in Diboll, Texas, United States.

- Sacyr Engineering and Infrastructures has been awarded the construction contract to upgrade “**Route F-20 Nogales – Puchuncavi**” in the Valparaiso region of Chile.

- A consortium in which the Sacyr Group is a participant has been awarded the “**A3 Naples – Pompeii – Salerno motorway**” concession in Italy. The 52-kilometre-long project entails no demand risk, as any variations in traffic will be offset via tolls.

## II. Income Statement

The results at 31 December 2019 show the same operational strength as the Sacyr Group has shown in recent quarters. The group's increasing focus on the concession business has made Sacyr a strong company, with stable, predictable revenue and substantial cash-generating capacity.

CONSOLIDATED INCOME STATEMENT			
(Thousand of Euros)	2019	2018	% Chg 19/18
<b>Revenue</b>	<b>4,169,467</b>	3,795,717	9.8%
Other income	367,192	322,391	13.9%
<b>Total operating income</b>	<b>4,536,659</b>	<b>4,118,108</b>	10.2%
External and Operating Expenses	-3,856,901	-3,574,819	7.9%
<b>EBITDA</b>	<b>679,758</b>	<b>543,289</b>	25.1%
Depreciation and amortisation expense	-254,126	-138,030	84.1%
Trade Provisions and non recurring items	15,350	-40,376	-138.0%
<b>NET OPERATING PROFIT</b>	<b>440,982</b>	<b>364,883</b>	20.9%
Financial results	-315,920	-247,260	27.8%
Forex results	5,798	48,206	-88.0%
Results from equity accounted subsidiaries	-259,841	200,979	-229.3%
Provisions for financial investments	11,317	-57,600	n.a.
Change in value on financial instruments	-112,682	-11,140	n.a.
Results from sales of non current assets	46,486	-12,544	n.a.
<b>PROFIT BEFORE TAX</b>	<b>-183,860</b>	<b>285,525</b>	n.a.
Corporate Tax	-89,327	-77,098	15.9%
<b>RESULT FROM CONTINUING OPERATIONS</b>	<b>-273,187</b>	208,427	n.a.
<b>RESULT FROM COMPANIES WITH DISCONTINUED OPERATIONS</b>	<b>0</b>	0	n.a.
<b>CONSOLIDATED RESULT</b>	<b>-273,187</b>	208,427	n.a.
Minorities	-24,546	-58,030	-57.7%
<b>NET ATTRIBUTABLE PROFIT</b>	<b>-297,733</b>	150,398	n.a.
<b>Gross margin</b>	<b>16.3%</b>	<b>14.3%</b>	

- At 31 December 2019, revenue totalled 4,169 million euros, up 10% on the previous year.
- EBITDA grew 25% compared to the previous year, reaching 680 million euros.
- The EBITDA from concession assets in the four business areas (infrastructure, waste treatment plants, water treatment plants, and power plants) amounted to 538 million euros, which represents 80% of total EBITDA.
- Net operating profit (EBIT) increased by 21% to 441 million euros.

- The EBITDA margin was 16.3%, compared to 14.3% the previous year, up 200 basis points.
- The net profit of the businesses at 31 December 2019 was 120 million euros, 47% more than the previous year.
- The operating cash flow at 31 December 2019 came to 510 million euros, representing growth of 24%.

### **Impact of Repsol**

On 2 December, Repsol informed the market, via a “Significant Information”, of a correction to the book value of certain assets, with an estimated impact of approximately -4,800 million euros after tax. This writedown affects mainly hydrocarbon exploration and production assets in the United States and Canada as a result of the fall in expected future gas prices.

On 14 February, Repsol announced, via “Privileged Information”, that it was setting aside a provision of 837 million euros after the arbitration court issued a second partial ruling in the arbitration proceedings brought against Repsol by the Chinese companies Sinopec and its British subsidiary, Addax, in relation to the purchase by the Asian group of 49% of the British subsidiary of the Canadian group Talisman (TSEUK).

As a result of all the above, Repsol reported a net loss of -3,816 million euros.

As the Sacyr Group accounts for its stake in Repsol using the equity method, an extraordinary loss of -272 million euro had to be recognised in the income statement. Repsol’s contribution to Sacyr’s net profit was -354 million euros.

After this impact, the book value of the investment was adjusted to 13.93 euros per share, which is the market value at 31 December 2019.

This impairment in no way affects the good operating performance of the businesses nor the strategy set by the company, nor does it have any impact on the group’s cash, as it is an accounting adjustment. Sacyr’s shareholder remuneration strategy remains unchanged after this impact.

## IFRS 16

The entry into effect of IFRS 16, the new accounting standard on leases, requires that lessees recognise a “right-of-use asset” in their balance sheet. The standard lays down the principles for recognising, measuring, presenting and disclosing leases and requires all lessees to use a single accounting model, like the one currently used for finance leases under IAS 17. The main changes that have affected the group are summarised below:

<b>P&amp;L ADJUSTMENTS</b>	
Thousands of euros	New Effects
Less Lease Expense	19,936
<b>EBITDA Increase</b>	<b>19,936</b>
Amortisation Increase	(17,712)
<b>EBIT</b>	<b>2,224</b>
Financial Expense Increase	(3,588)
Forex	(114)
<b>Financial Result</b>	<b>(3,702)</b>
<b>Results Before Tax</b>	<b>(1,478)</b>
Corporate Tax	391
<b>Results After Tax</b>	<b>(1,087)</b>

## Revenue

### Revenue has grown 10%

Solid business performance allowed the group to post revenue of 4,169 million euros, 10% more than the previous year. The group’s international turnover also increased by 10% during the year.

Sacyr Concessions grew 27%, buoyed by the increase in construction revenue (+38%), thanks to the progress in executing the contracts awarded most recently, and concession revenue (+18%). The Engineering and Infrastructure division grew 21%, continuing the solid trend of recent quarters. This growth is driven by the pace of revenues from major projects in the different strategic markets in which the division operates (Italy, Colombia, Chile, Mexico, Peru, Uruguay, United States, Portugal, Paraguay, United Kingdom, Spain and others). Revenue from Sacyr Services rose 6%, reflecting the start of new projects

awarded in previous quarters, while revenue from Sacyr Industrial were down 33% due to the completion of major projects that were already at an advanced stage of execution.

REVENUE (Thousands of Euros)	Dec-19	Dec-18	% Chg 19/18
SACYR ENGINEERING & INFRASTRUCTURES	2,074,173	1,713,022	21%
SACYR CONCESSIONS	1,007,077	793,268	27%
Revenue from concessions	510,595	432,243	18%
Revenue from construction	496,482	361,025	38%
SACYR SERVICES	1,136,575	1,075,310	6%
SACYR INDUSTRIAL	352,389	526,722	-33%
Holding y Adjustment	-400,747	-312,604	
<b>REVENUE</b>	<b>4,169,467</b>	<b>3,795,717</b>	<b>10%</b>

## EBITDA

### EBITDA has grown 25%

The focus on profitability and cash generation as a strategic objective for the group is clearly reflected in the growth of EBITDA during 2019, with an increase of 25% compared to the previous year. The increase was 22% in Sacyr Concessions, 15% in Sacyr Services and 50% in Sacyr Engineering and Infrastructures. The decline in EBITDA in the Industrial division was due to the completion of major projects from the backlog.

The growth in consolidated EBITDA brought the group's EBITDA margin to 16.3%, an improvement of 200 basis points compared to the previous year.

EBITDA (Thousands of Euros)	Dec-19	Dec-18	% Chg 19/18
SACYR ENGINEERING & INFRASTRUCTURES	253,086	168,440	50%
SACYR CONCESSIONS	330,543	271,950	22%
SACYR SERVICES	108,906	94,721	15%
SACYR INDUSTRIAL	23,126	36,342	-36%
Holding y Adjustment	-35,903	-28,165	
<b>EBITDA</b>	<b>679,758</b>	<b>543,289</b>	<b>25%</b>
<b>Ebitda Margin (%)</b>	<b>16.3%</b>	<b>14.3%</b>	

## Operating Profit (EBIT)

Net operating profit reached 441 million euros, 21% more than in 2018.

## Financial Results

At 31 December 2019, the group posted a net financial expense of -316 million euros. The nominal interest rate at 31 December 2019 was 3.9%.

## Results from equity-accounted subsidiaries

As explained earlier, due to the loss reported by Repsol, the total recorded under this heading of the income statement amounted to -259 million euros, of which -272 million euros relate to our stake in Repsol. Repsol's book value amount at 31 December 2019 was 13.93 euros per share.

Repsol's contribution to Sacyr's profit was -354 million euros.

## Net Profit

Net profit at 31 December 2019 came to -298 million euros, affected, as mentioned above, by the accounting effect of the impairment loss on the investment in Repsol and its contribution to the Sacyr Group's earnings.

Even so, the net profit of the business areas increased by +47%, reaching 120 million euros.

## III. Backlog

At 31 December 2019, Sacyr has a backlog of 42,965 million euros, an increase of 3% compared to December the previous year, which is significant given the group's strong rate of revenues growth.

The Sacyr Group continues to strengthen its strategic position in key markets. The international backlog already accounts for 77% of the total backlog, thanks to the success in winning various contracts. The group has increased its presence in Latin America, with various projects in Chile, Peru, Uruguay, Mexico, and Brazil; in the United States, specifically in Texas and Florida; and in Europe, with the projects awarded in the United Kingdom, Portugal and Italy. There has also been a marked increase in the number of contracts awarded in Spain.

BACKLOG (Thousands of euros)	Dec-19	International	Spain	% Internat.
SACYR ENGINEERING & INFRASTRUCTURES	7,134	6,263	872	88%
SACYR CONCESSIONS	30,028	25,215	4,813	84%
SACYR SERVICES	5,124	1,181	3,943	23%
SACYR INDUSTRIAL	679	284	395	42%
<b>TOTAL</b>	<b>42,965</b>	<b>32,943</b>	<b>10,022</b>	
<b>Backlog December 2018</b>	<b>41,674</b>			
<b>Change 2019/2018</b>	<b>3%</b>			

In the Engineering and Infrastructures business, international projects account for 88% of the total backlog. The division's geographic exposure is concentrated in the United States, Chile, Italy, Peru, Colombia, Paraguay, Mexico, Brazil, the United Kingdom, Qatar, Uruguay and Portugal, among others.

In Concessions, Sacyr's international presence is steadily increasing, with a focus on the group's strategic markets. At 31 December 2019, the international backlog already accounted for 84% of the total Concessions backlog. Sacyr Concessions operates in Italy, Chile, Colombia, Uruguay, Paraguay, Peru, Portugal and Ireland, as well as in Spain.

The Services division is present in the domestic market, with contracts in Spain for environmental projects (municipal services, waste treatment, etc.), multiservices (infrastructure maintenance, dependent-person care services, facility management, etc.) and water projects. In addition to this domestic business, some 23% of the division's backlog is located outside Spain, including Australia, Chile, Colombia and Peru, among others, largely through contracts for the operation and maintenance of water concessions, infrastructure conservation, and waste collection and transport.

Sacyr Industrial, meanwhile, is present in Australia, Oman, Bolivia, Peru and Ecuador, as well as Spain, with various projects in oil & gas, electricity infrastructure, power plants, cement plants, desalination plants and waste treatment facilities. It now has a backlog of projects totalling 679 million euros, 42% of which is located abroad.

## IV. Consolidated Balance Sheet

BALANCE SHEET (Thousands of Euros)	DEC. 2019	DEC. 2018	Chg 19/18
<b>NON CURRENT ASSETS</b>	<b>9,309,908</b>	8,895,503	414,405
Intangible Assets	21,572	25,901	-4,329
Concessions Investments	876,679	1,353,656	-476,977
Fixed Assets	334,175	441,230	-107,055
Right of use over leased assets	135,052	0	135,052
Financial Assets	3,174,682	3,335,804	-161,122
Receivables from concession assets	4,576,454	3,552,834	1,023,620
Other non Current Assets	94,967	19,444	75,523
Goodwill	96,327	166,633	-70,306
<b>CURRENT ASSETS</b>	<b>4,597,115</b>	4,954,307	-357,192
Non current assets held for sale	347,254	362,172	-14,918
Inventories	241,321	209,331	31,990
Receivables from concession assets	328,912	293,238	35,674
Accounts Receivable	1,990,911	1,974,908	16,003
Financial Assets	76,821	124,446	-47,625
Cash	1,611,896	1,990,212	-378,316
<b>ASSETS = LIABILITIES</b>	<b>13,907,023</b>	13,849,810	57,213
<b>EQUITY</b>	<b>1,190,370</b>	1,507,190	-316,820
Shareholder's Equity	825,198	1,145,833	-320,635
Minority Interests	365,172	361,358	3,814
<b>NON CURRENT LIABILITIES</b>	<b>8,178,417</b>	7,915,873	262,544
Financial Debt	5,070,098	5,061,232	8,866
Financial Instruments at fair value	209,410	105,917	103,493
Lease Obligations	90,296	0	90,296
Provisions	214,396	313,917	-99,521
Other non current Liabilities	976,775	817,365	159,410
Other hedged debt	1,617,442	1,617,442	0
<b>CURRENT LIABILITIES</b>	<b>4,538,236</b>	4,426,746	111,490
Liabilities associated with the non current assets held for sale	227,543	170,236	57,307
Financial Debt	931,869	1,097,331	-165,462
Financial Instruments at fair value	20,555	18,953	1,602
Lease Obligations	38,338	0	38,338
Trade Accounts Payable	2,466,050	2,431,138	34,912
Operating Provisions	204,108	157,225	46,883
Other current liabilities	649,773	551,863	97,910

For the purposes of the Consolidated Balance Sheet, due to Sacyr's divestment of the Autopista del Guadalmedina concession asset, the group now accounts for this asset as held for sale.

## Net Financial Debt

The group's net debt amounts to 4,315 million euros. The breakdown of the debt and the changes with respect to December 2018 are as follows:

€ Million	2019	2018	Var
Project Finance	3,467	2,907	560
Bank Borrowings (operating lines)	145	461	-316
Capital Markets (Bonds + ECP)	703	677	26
<b>Net Debt</b>	<b>4,315</b>	<b>4,045</b>	<b>270</b>

**Bank Debt:** the group's bank debt stands at 145 million euros, consisting mainly of operating credit lines used by the group in its various businesses. This amount includes the bank debt of each of the group's business areas and the debt of the holding company.

**Capital Market:** at 31 December 2019, the holding company has financial liabilities totalling 703 million euros, mainly in respect of:

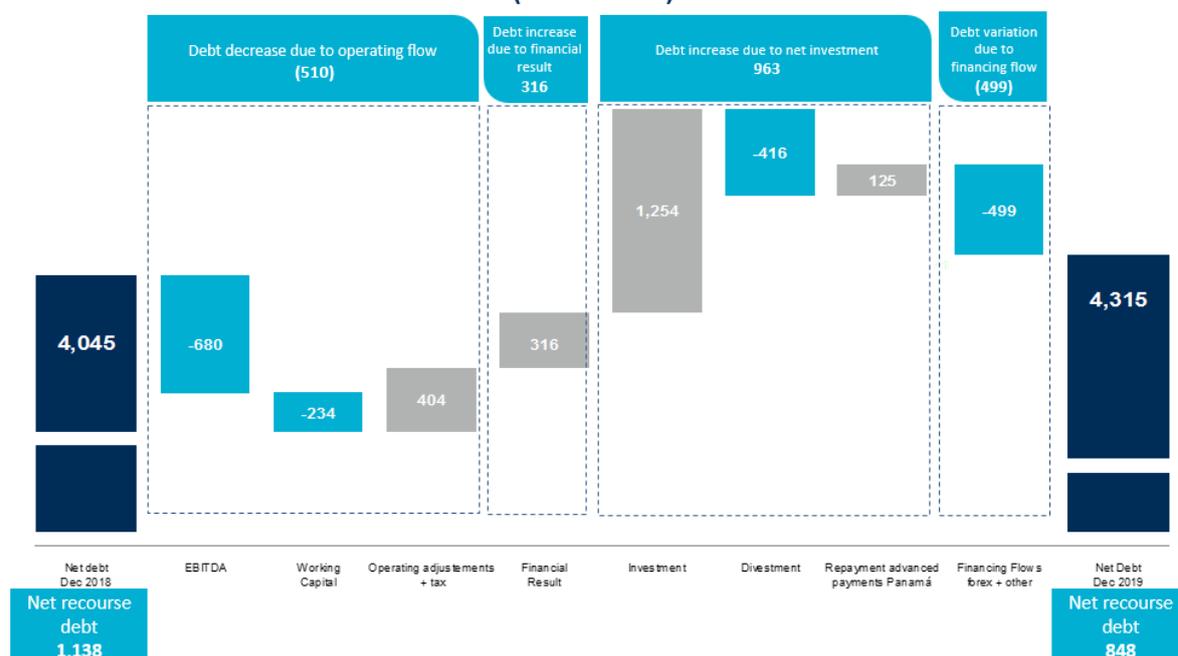
- The 175 million euros of five-year convertible bonds issued in April.
- The European Commercial Paper (ECP) programmes.
- The European Medium-Term Note (EMTN) programme.

This funding is used by the parent company, in its financial management and coordination activities as the group's controlling company, to meet the needs of the various business areas.

**Project Finance:** This amounts to 3,467 million euros and consists of very long-term project finance. This debt is repaid out of the cash flows generated by the projects themselves.

The changes in 2019 net debt were as follows:

## Net Debt Evolution (€ Million)



**Investments:** The increase in debt due to net investment was 963 million euros. The breakdown is as follows:

- **Gross investment:** At 31 December 2019, gross investment amounts to 1,254 million euros, of which 210 million euros relate to equity invested in concession assets (190 million euros in Sacyr Concessions and 20 million euros in Sacyr Services).

- **Divestments:** at 31 December 2019, the divestments amount to 416 million euros, which includes the sale of 15.5% of the stake in Itínera, the sale of 49% of the special purpose vehicle holding the interests in seven concession assets in Chile, the disposal of nine power plants belonging to the Industrial division and the sale of various water concession assets and properties in Portugal.

- **Return of advanced payments (Panama):** In March, Sacyr settled the second and last tranche of advanced payments in the amount of approximately 125 million euros. This second payment marks the completion of the return of advances to the Panama Canal Authority.

## V. Performance by business area

CONSOLIDATED INCOME STATEMENT AS OF DECEMBER 2019						
(Thousands of Euros)	Sacyr Eng & Infrastructures	Sacyr Concessions	Sacyr Services	Sacyr Industrial	Holding & Adjustments	TOTAL
<b>Revenue</b>	<b>2,074,173</b>	<b>1,007,077</b>	<b>1,136,575</b>	<b>352,389</b>	<b>-400,747</b>	<b>4,169,467</b>
Other income	286,173	31,891	39,069	27,379	-17,320	367,192
<b>Total operating income</b>	<b>2,360,346</b>	<b>1,038,968</b>	<b>1,175,644</b>	<b>379,768</b>	<b>-418,067</b>	<b>4,536,659</b>
External and Operating Expenses	-2,107,260	-708,425	-1,066,738	-356,642	382,164	-3,856,901
<b>EBITDA</b>	<b>253,086</b>	<b>330,543</b>	<b>108,906</b>	<b>23,126</b>	<b>-35,903</b>	<b>679,758</b>
Depreciation and amortisation expense	-68,395	-50,783	-50,908	-79,447	-4,593	-254,126
Trade Provisions and non recurring items	-945	-2,774	2,370	-3,413	20,112	15,350
<b>NET OPERATING PROFIT</b>	<b>183,746</b>	<b>276,986</b>	<b>60,368</b>	<b>-59,734</b>	<b>-20,384</b>	<b>440,982</b>
Financial results	-64,252	-161,624	-20,012	-4,220	-65,812	-315,920
Forex results	-10,211	-8,991	-633	-2,499	28,132	5,798
Results from equity accounted subsidiaries	2,655	6,152	7,910	-12	-276,546	-259,841
Provisions for financial investments	-16	1,245	-20	-5	10,113	11,317
Change in value on financial instruments	0	-19,096	-1,485	-600	-91,501	-112,682
Results from sales of non current assets	5,000	4,525	-312	39,095	-1,822	46,486
<b>PROFIT BEFORE TAX</b>	<b>116,922</b>	<b>99,197</b>	<b>45,816</b>	<b>-27,975</b>	<b>-417,820</b>	<b>-183,860</b>
Corporate Tax	-43,953	-25,542	-15,305	-3,863	-664	-89,327
<b>RESULT FROM CONTINUING OPERATIONS</b>	<b>72,969</b>	<b>73,655</b>	<b>30,511</b>	<b>-31,838</b>	<b>-418,484</b>	<b>-273,187</b>
<b>RESULT FROM COMPANIES WITH DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CONSOLIDATED RESULT</b>	<b>72,969</b>	<b>73,655</b>	<b>30,511</b>	<b>-31,838</b>	<b>-418,484</b>	<b>-273,187</b>
Minorities	-38,411	-28,826	31	42,295	365	-24,546
<b>NET ATTRIBUTABLE PROFIT</b>	<b>34,558</b>	<b>44,829</b>	<b>30,542</b>	<b>10,457</b>	<b>-418,119</b>	<b>-297,733</b>

CONSOLIDATED INCOME STATEMENT AS OF DECEMBER 2018						
(Thousands of Euros)	Sacyr Eng & Infrastructures	Sacyr Concessions	Sacyr Services	Sacyr Industrial	Holding & Adjustments	TOTAL
<b>Revenue</b>	<b>1,713,022</b>	<b>793,268</b>	<b>1,075,310</b>	<b>526,722</b>	<b>-312,604</b>	<b>3,795,717</b>
Other income	242,041	40,434	49,345	4,872	-14,301	322,391
<b>Total operating income</b>	<b>1,955,063</b>	<b>833,701</b>	<b>1,124,655</b>	<b>531,594</b>	<b>-326,905</b>	<b>4,118,108</b>
External and Operating Expenses	-1,786,623	-561,752	-1,029,934	-495,252	298,741	-3,574,819
<b>EBITDA</b>	<b>168,440</b>	<b>271,950</b>	<b>94,721</b>	<b>36,342</b>	<b>-28,165</b>	<b>543,289</b>
Depreciation and amortisation expense	-35,272	-49,223	-41,599	-9,752	-2,184	-138,030
Trade Provisions and non recurring items	-11,913	25,667	-10,648	624	-44,107	-40,376
<b>NET OPERATING PROFIT</b>	<b>121,255</b>	<b>248,393</b>	<b>42,474</b>	<b>27,215</b>	<b>-74,455</b>	<b>364,883</b>
Financial results	-59,045	-152,530	-12,555	-5,978	-17,152	-247,260
Forex results	25,960	-8,208	146	-1,681	31,989	48,206
Results from equity accounted subsidiaries	1,144	7,990	8,817	-11	183,040	200,979
Provisions for financial investments	-33	-4,703	-125	-7	-52,732	-57,600
Change in value on financial instruments	0	-19,632	-3,495	-773	12,760	-11,140
Results from sales of non current assets	2,768	-7,594	1,156	-1,275	-7,599	-12,544
<b>PROFIT BEFORE TAX</b>	<b>92,049</b>	<b>63,717</b>	<b>36,418</b>	<b>17,490</b>	<b>75,851</b>	<b>285,525</b>
Corporate Tax	-39,293	-18,952	-9,244	-2,021	-7,587	-77,098
<b>RESULT FROM CONTINUING OPERATIONS</b>	<b>52,757</b>	<b>44,764</b>	<b>27,174</b>	<b>15,469</b>	<b>68,264</b>	<b>208,427</b>
<b>RESULT FROM COMPANIES WITH DISCONTINUED OPERATIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CONSOLIDATED RESULT</b>	<b>52,757</b>	<b>44,764</b>	<b>27,174</b>	<b>15,469</b>	<b>68,264</b>	<b>208,427</b>
Minorities	-27,185	-29,167	2,320	-4,434	437	-58,030
<b>NET ATTRIBUTABLE PROFIT</b>	<b>25,572</b>	<b>15,597</b>	<b>29,494</b>	<b>11,035</b>	<b>68,700</b>	<b>150,398</b>

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 2019						
(Thousands of Euros)	Sacyr Eng & Infrastructures	Sacyr Concessions	Sacyr Services	Sacyr Industrial	Holding & adjustments	TOTAL
<b>NON CURRENT ASSETS</b>	<b>2,348,757</b>	<b>3,685,571</b>	<b>804,944</b>	<b>40,468</b>	<b>2,430,168</b>	<b>9,309,908</b>
Intangible Assets	87	96	18,017	214	3,158	21,572
Concessions Investments	663	711,021	144,448	0	20,547	876,679
Fixed Assets	154,093	2,649	161,302	6,976	9,155	334,175
Right of use over leased assets	30,062	1,408	79,868	9,196	14,518	135,052
Financial Assets	205,318	559,109	82,525	24,082	2,303,648	3,174,682
Receivables for concession assets	1,958,528	2,397,715	220,211	0	0	4,576,454
Other non Current Assets	6	13,571	2,248	0	79,142	94,967
Goodwill	0	2	96,325	0	0	96,327
<b>CURRENT ASSETS</b>	<b>2,953,701</b>	<b>1,344,077</b>	<b>604,094</b>	<b>259,187</b>	<b>-563,944</b>	<b>4,597,115</b>
Non current assets held for sale	0	347,254	0	0	0	347,254
Inventories	165,335	370	14,596	885	60,135	241,321
Receivables for concession assets	447	310,486	17,978	0	1	328,912
Accounts Receivable	1,577,155	196,979	337,329	128,221	-248,773	1,990,911
Financial Assets	133,468	65,664	164,908	101,424	-388,643	76,821
Cash	1,077,296	423,324	69,283	28,657	13,336	1,611,896
<b>ASSETS = LIABILITIES</b>	<b>5,302,458</b>	<b>5,029,648</b>	<b>1,409,038</b>	<b>299,655</b>	<b>1,866,224</b>	<b>13,907,023</b>
<b>Equity</b>	<b>574,767</b>	<b>882,854</b>	<b>424,652</b>	<b>96,938</b>	<b>-788,841</b>	<b>1,190,370</b>
Shareholder's Equity	463,973	621,336	414,250	97,725	-772,086	825,198
Minority Interests	110,794	261,518	10,402	-787	-16,755	365,172
<b>NON CURRENT LIABILITIES</b>	<b>2,029,878</b>	<b>3,234,266</b>	<b>579,385</b>	<b>35,125</b>	<b>2,299,763</b>	<b>8,178,417</b>
Financial Debt	1,788,254	2,304,744	333,349	6,416	637,335	5,070,098
Financial Instruments at fair value	1,055	116,675	1,464	0	90,216	209,410
Lease Obligations	15,055	833	54,016	6,349	14,043	90,296
Provisions	28,185	50,948	97,174	7,696	30,393	214,396
Other non current Liabilities	197,329	761,066	93,382	14,664	-89,666	976,775
Other hedged debt	0	0	0	0	1,617,442	1,617,442
<b>CURRENT LIABILITIES</b>	<b>2,697,813</b>	<b>912,528</b>	<b>405,001</b>	<b>167,592</b>	<b>355,302</b>	<b>4,538,236</b>
Liabilities associated with the non current assets held for sale	0	227,543	0	0	0	227,543
Financial Debt	71,944	403,116	61,805	23,333	371,671	931,869
Financial Instruments at fair value	119	18,900	1,536	0	0	20,555
Lease Obligations	14,364	472	19,781	2,913	808	38,338
Trade Accounts Payable	2,075,186	85,196	159,385	108,725	37,558	2,466,050
Operating Provisions	56,810	7,739	20,321	5,191	114,047	204,108
Other current liabilities	479,390	169,562	142,173	27,430	-168,782	649,773

CONSOLIDATED BALANCE SHEET AS OF DECEMBER 2018						
(Thousands of Euros)	Sacyr Eng & Infrastructures	Sacyr Concessions	Sacyr Services	Sacyr Industrial	Holding & adjustments	TOTAL
<b>NON CURRENT ASSETS</b>	<b>1,777,267</b>	<b>3,432,587</b>	<b>906,566</b>	<b>192,451</b>	<b>2,586,632</b>	<b>8,895,503</b>
Intangible Assets	500	86	20,858	1,186	3,271	25,901
Concessions Investments	40,123	1,029,214	284,319	0	0	1,353,656
Fixed Assets	153,857	3,777	190,625	89,544	3,427	441,230
Financial Assets	180,035	457,878	84,066	33,891	2,579,934	3,335,804
Receivables for concession assets	1,402,752	1,924,736	225,345	0	0	3,552,834
Other non Current Assets	0	16,895	2,548	0	0	19,444
Goodwill	0	0	98,804	67,829	0	166,633
<b>CURRENT ASSETS</b>	<b>3,204,853</b>	<b>1,068,773</b>	<b>557,188</b>	<b>343,376</b>	<b>-219,883</b>	<b>4,954,307</b>
Non current assets held for sale	0	201,589	0	0	160,583	362,172
Inventories	161,273	306	13,031	15,400	19,321	209,331
Receivables for concession assets	271	288,888	4,079	0	0	293,238
Accounts Receivable	1,537,038	176,060	354,833	203,142	-296,164	1,974,908
Financial Assets	91,704	10,924	113,030	37,548	-128,760	124,446
Cash	1,414,567	391,006	72,215	87,286	25,137	1,990,212
<b>ASSETS = LIABILITIES</b>	<b>4,982,120</b>	<b>4,501,360</b>	<b>1,463,753</b>	<b>535,827</b>	<b>2,366,750</b>	<b>13,849,810</b>
<b>EQUITY</b>	<b>457,227</b>	<b>878,911</b>	<b>393,320</b>	<b>138,670</b>	<b>-360,937</b>	<b>1,507,190</b>
Shareholder's Equity	409,579	611,325	386,586	95,563	-357,220	1,145,833
Minority Interests	47,648	267,586	6,733	43,108	-3,717	361,358
<b>NON CURRENT LIABILITIES</b>	<b>1,955,450</b>	<b>3,127,414</b>	<b>623,484</b>	<b>136,041</b>	<b>2,073,484</b>	<b>7,915,873</b>
Financial Debt	1,720,758	2,284,492	405,062	92,078	558,842	5,061,232
Financial Instruments at fair value	0	93,610	11,307	1,000	0	105,917
Provisions	24,481	46,309	102,111	20,039	120,978	313,917
Other non current Liabilities	210,211	703,004	105,004	22,925	-223,779	817,365
Other hedged debt	0	0	0	0	1,617,442	1,617,442
<b>CURRENT LIABILITIES</b>	<b>2,569,443</b>	<b>495,036</b>	<b>446,949</b>	<b>261,115</b>	<b>654,203</b>	<b>4,426,746</b>
Liabilities associated with the non current assets held for sale	0	0	0	0	170,236	170,236
Financial Debt	160,621	274,073	74,685	27,803	560,149	1,097,331
Financial instruments at fair value	0	17,152	1,483	318	0	18,953
Trade Accounts Payable	1,996,846	29,126	158,208	203,460	43,498	2,431,138
Operating Provisions	61,625	9,455	26,322	6,502	53,321	157,225
Other current liabilities	350,350	165,230	186,252	23,033	-173,001	551,863

## SACYR CONCESSIONS

(Thousands of euros)	Dec 2019	Dec 2018	% Chg
<b>Revenue</b>	<b>1,007,077</b>	<b>793,268</b>	<b>27%</b>
<b>Construction revenue</b>	<b>496,482</b>	<b>361,025</b>	<b>38%</b>
<b>Concessions revenue</b>	<b>510,595</b>	<b>432,243</b>	<b>18%</b>
<b>EBITDA</b>	<b>330,543</b>	<b>271,950</b>	<b>22%</b>
<b>EBITDA Margin</b>	<b>64.7%</b>	<b>62.9%</b>	

- At 31 December 2019, revenue from the concessions business totalled 1,007 million euros, representing growth of 27% compared to the previous year, supported by concession revenue and construction revenue.
- Construction revenue grew 38% compared to the previous year, thanks to progress in some of the largest projects currently in backlog. This growth is attributable mainly to the following concessions: Rumichaca Pasto, Montes de María and Pamplona-Cúcuta in Colombia; Pirámides-Tulancingo and Hospital de Tláhuac in Mexico; Rutas del Litoral in Uruguay; and Los Vilos – La Serena and Ruta de la Fruta in Chile.
- Concession revenue contributed 511 million euros to total revenue at 31 December 2019, up 18% compared to the previous year. These good results are attributable to growth in operating revenue, the commissioning of Tepual and Chacalluta airports in Chile and the positive evolution of the traffic.
- The growth in revenue has been accompanied by growth in EBITDA. At 31 December 2019, EBITDA amounted to 331 million euros, an increase of 22% compared to the 272 million euros posted the previous year. The EBITDA margin of the concessions

business was 64.7%, an improvement of 1.8 percentage points compared to the previous year.

- The following table shows revenue breakdown by asset:

€ Thousands	2019	2018	Chg. (%)
AUTOVÍA DEL TURIA	14,446	13,779	4.8%
AUTOVÍA NOROESTE C.A.R.M.	6,713	6,705	0.1%
VIATUR	8,084	7,364	9.8%
PALMA MANACOR	12,064	11,449	5.4%
AUTOVÍA DEL BARBANZA	10,119	9,674	4.6%
AUTOVÍA DEL ERESMA	7,217	7,135	1.2%
AUTOVÍA DEL ARLANZÓN	33,806	37,662	-10.2%
INTERCAMBIADOR DE MONCLOA	13,249	12,971	2.1%
INTERCAMBIADOR DE PLAZA ELÍPTICA	6,780	6,872	-1.3%
AUTOPISTA DE GUADALMEDINA	17,605	16,309	7.9%
HOSPITAL DE PARLA	13,070	13,399	-2.5%
HOSPITAL DE COSLADA	13,942	13,763	1.3%
PARKING ROMERO	161	-	n/a
PARKING VELARDE	459	-	n/a
PARKING ESPLANDIÚ	106	-	n/a
PARKING ENCARNACIÓN	2,824	-	n/a
PARKING MILENIO	275	-	n/a
HOLDINGS	15,241	1,319	n/a
<b>SPAIN</b>	<b>176,162</b>	<b>158,399</b>	<b>11.2%</b>
HOLDINGS	1,295	1,286	0.7%
<b>IRELAND</b>	<b>1,295</b>	<b>1,286</b>	<b>0.7%</b>
HOLDINGS	885	877	0.9%
<b>PORTUGAL</b>	<b>885</b>	<b>877</b>	<b>0.9%</b>
SOCIEDAD PARKING SIGLO XXI	597	392	52.3%
RUTAS DEL DESIERTO - ACCESOS A IQUIQUE	19,030	19,147	-0.6%
VALLES DEL BIO BIO - CONCEPCIÓN CABRERO	32,786	36,914	-11.2%
VALLES DEL DESIERTO - VALLENAR CALDERA	15,784	20,069	-21.4%
RUTA 43 - LIMARI	13,277	9,003	47.5%
HOSPITAL ANTOFAGASTA	34,769	38,149	-8.9%
SERENA VALLENAR - RUTAS DEL ALGARROBO	30,455	28,712	6.1%
AEROPUERTO DEL SUR S.A.	7,377	4,402	67.6%
AEROPUERTO ARICA	3,416	-	n/a
HOLDINGS	2,410	2,010	19.9%
<b>CHILE</b>	<b>159,901</b>	<b>158,797</b>	<b>0.7%</b>
CONVIAL SIERRA NORTE	39,349	29,845	31.8%
HOLDINGS	231	-	n/a
<b>PERU</b>	<b>39,579</b>	<b>29,845</b>	<b>32.6%</b>
MONTES DE MARÍA	24,499	16,675	46.9%
RUMICHACA	50,696	30,713	65.1%
PAMPLONA-CÚCUTA	20,122	18,963	6.1%
HOLDINGS	998	3,459	-71.1%
<b>COLOMBIA</b>	<b>96,315</b>	<b>69,810</b>	<b>38.0%</b>
RUTAS DEL LITORAL	7,953	3,002	165.0%
HOLDINGS	218	43	407.2%
<b>URUGUAY</b>	<b>8,171</b>	<b>3,045</b>	<b>168.4%</b>
RUTAS DEL ESTE	9,708	5,474	77.3%
<b>PARAGUAY</b>	<b>9,708</b>	<b>5,474</b>	<b>77.3%</b>
HOSPITAL TLAHUAC	5,226	668	682.8%
AUTOVIA PIRÁMIDES TULANCINGO PACHUCA	12,488	3,563	250.5%
HOLDINGS	863	478	80.5%
<b>MEXICO</b>	<b>18,578</b>	<b>4,709</b>	<b>294.5%</b>
<b>TOTAL WITHOUT CONSTRUCTION REVENUES</b>	<b>510,595</b>	<b>432,243</b>	<b>18.1%</b>
CONSTRUCTION REVENUES	496,481	361,025	37.5%
<b>TOTAL</b>	<b>1,007,076</b>	<b>793,268</b>	<b>27.0%</b>

## Traffic Figures

Traffic increased both internationally and in Spain. Internationally, Rutas del Este (Paraguay) posted traffic growth of 6%, Desarrollo Vial al Mar (Colombia) 5%, the N6 Galway-Ballinasloe (Ireland) 5% and the Valles del Bio-Bio motorway (Chile) nearly 6%, while in Spain the Málaga – Las Pedrizas motorway had traffic growth of 5%.

The traffic data are shown in the following table:

### ACCUMULATED ADT

	2019	2018	CHG.
<b>SHADOW TOLL HIGHWAY SPAIN</b>			
- AUTOVIA DEL NOROESTE	12,774	12,642	1.0%
- Ma-15 PALMA-MANACOR	26,379	25,515	3.4%
- AS-II OVIEDO-GIJÓN (VIATUR)	24,027	23,357	2.9%
- AUTURSA CV-35	40,522	39,392	2.9%
- ERESMA	8,021	8,013	0.1%
- BARBANZA	14,116	13,840	2.0%
- ARLANZON	22,630	22,248	1.7%
<b>TOLL HIGHWAY SPAIN</b>			
- AP-46 MÁLAGA - LAS PEDRIZAS	13,722	13,116	4.6%
<b>TOLL HIGHWAY OTHER COUNTRIES</b>			
- N6 GALWAY-BALLINASLOE	14,061	13,370	5.2%
- VALLES DEL DESIERTO	4,849	4,747	2.1%
- RUTAS DEL DESIERTO	7,033	6,908	1.8%
- RUTAS DEL ALGARROBO	4,505	4,393	2.5%
- VALLES DEL BIO-BIO	7,622	7,231	5.4%
- RUTA DE LIMARÍ	5,004	0	n/a
- MONTES DE MARÍA	3,082	3,004	2.6%
- UNIÓN VIAL DEL SUR	5,649	6,140	-8.0%
- DESARROLLO VIAL AL MAR	7,917	7,529	5.2%
- RUTAS DEL ESTE	15,279	14,369	6.3%

## Procurement and Backlog

At 31 December 2019, Sacyr Concessions had a total backlog of 30,028 million euros. The international backlog accounted for 84% of this total.

Below are some of the projects awarded in 2019:

- Sacyr Concessions was awarded the concession for the **upgrade of “Route 66 Camino de La Fruta”** in Chile, aimed at modernising access to the country’s two most important ports, Valparaiso and San Antonio, in the Valparaiso region. This project requires an investment of 575 million dollars (approximately 519 million euros). The project has an estimated backlog of 2,695 million euros.

The 142 km long project will benefit the inhabitants of the communes of Malloa, San Vicente de Tagua Tagua, Peumo, Las Cabras, San Pedro, Santo Domingo and San Antonio, through which the motorway passes, and will facilitate the flow of trucks towards the port of San Antonio.

The route will include split-level intersections, improvements to existing structures and road surfaces, third lanes in certain sections, drainage, signalling and road safety works, lighting, walkways, rest areas, cycle paths and toll booths, among other things.

- Sacyr Concessions was awarded the **“Ferrocarril Central” de Uruguay** project. The contract includes the remodelling and operation of the rail corridor linking the capital Montevideo to Paso de los Toros in the department of Tacuarembó in northern Uruguay.

Over 270 kilometres long, this railway corridor will cross the entire country, with estimated future revenues of 2,200 million euros and a contract term of 18 years.

- Sacyr Concessions was awarded the concession for the new **“Los Vilos-La Serena” stretch of the Route 5 motorway** in Chile, which also includes a stretch of urban highway between La Serena and Coquimbo.

With a budgeted investment of 447 million euros and an estimated backlog value of 864 million euros, the project covers a total of 245 kilometres, starting north of Los Vilos and ending with the intercity stretch south of Coquimbo, plus another 16

kilometres of urban road connecting with the La Serena-Vallenar segment of the Route 5 concession, which is also operated by Sacyr Concessions. The concession is scheduled to have a maximum term of 30 years. The project involves the construction, maintenance and operation of this segment of Route 5 North, with upgrade works throughout the route.

- Sacyr Concessions has been awarded the new **“Chacalluta de Arica” airport concession in Chile**, with a planned investment of 74 million euros, estimated backlog value of 203 million euros and a concession term of 20 years. The project involves expanding and upgrading the existing air terminal, doubling its size, to allow it to handle more than 1.1 million passengers per year.

After the close:

A consortium in which the Sacyr Group is a participant has been awarded with the **“A3 Napoles – Pompeya – Salerno”** motorway concession in Italy. The concession is 52 kilometres long.

## Significant Milestones

### Financial closings for concession assets

- **Sacyr signs 840 million euros financing deal for Américo Vespucio Oriente motorway**

Sacyr and its partner in the Américo Vespucio Oriente (AVO I) toll motorway in Chile have closed the financing of the concession with a group of local banks, which will provide 840 million euros to carry out the work on the Santiago de Chile urban corridor.

In volume terms, this is Sacyr’s biggest project in Chile, where the group’s business has acquired considerable size, both in construction and in concessions, on a par, for example, with countries such as Spain. This 9.3-km motorway is one of the largest projects currently under construction in Chile. It is expected to come into operation in 2022 and will cut travel time considerably, benefiting nearly 750,000 people in the city of Santiago.

The banks leading the deal, with a participation of 75%, are Banco de Chile, Banco del Estado de Chile and Banco de Crédito e Inversiones (BCI). The remaining 25% was taken by Banco Consorcio, Compañía de Seguros de Vida Consorcio Nacional de Seguros, Principal Compañía de Seguros de Vida Chile, Bice Vida Compañía de Seguros S.A. and Metlife Chile Seguros de Vida.

- **Sacyr closes the financing of the Ferrocarril Central railway line in Uruguay in the amount of 855 million dollars (765 million euros).**

The Grupo Vía Central (GVC) consortium, led by Sacyr Concesiones, has closed on a senior loan of up to 855 million dollars (approximately 765 million euros) to finance the projected 273 km of railway line along the corridor linking the capital, Montevideo, with Paso de los Toros. The project will entail an investment of 1,070 million dollars (approximately 960 million euros). The lenders are SMBC, Intesa San Paolo, IDB, CAF and CAFAM.

The project includes the design, construction, financing, rehabilitation and maintenance, for an 18-year term, of the railway linking Montevideo and Paso de los Toros. This rail connection is a key asset for the country's development and will be the largest infrastructure project in Uruguay's history.

- **Sacyr signs financing deal of approximately 630 million euros for Autopista al Mar 1 in Colombia.**

Sacyr has secured financing in the amount of approximately 2.19 billion Colombian pesos (around 630 million euros) for the Autopista al Mar 1 motorway concession. The Autopista al Mar 1 project is part of the Colombian government's Fourth Generation highway initiative. The Devimar concessionaire will work on the 176 km long highway, which includes, among other responsibilities, the construction of a dual carriageway between Medellín and Santa Fe de Antioquia, upgrade of the road between Santa Fe de Antioquia and the township of Peñalisa, and upgrade, operation and maintenance of a 25-kilometre stretch of the road between Santa Fe de Antioquia and Cañasgordas. At present, the Autopista al Mar 1 project is in the construction phase and progress is 30%. The project will generate 2,200 jobs, directly and indirectly.

The financing has been arranged in two tranches:

- A tranche of 220 million dollars, with the participation of Sumitomo Mitsui Banking Corporation – SMBC (Japan), KfW IPEX-Bank (Germany) and Société Générale (France).
  - A tranche of 1.55 billion Colombian pesos, with the participation of Financiera de Desarrollo Nacional – FDN (Colombia), Instituto de Crédito Oficial – ICO (Spain), BID Invest (multilateral bank), CAF (Latin American Development Bank) and BlackRock (Colombian Debt Fund).
- **Sacyr closes the financing of the Rumichaca – Pasto road in Colombia in the amount of 513 million euros.**

The concessionaire Vial Union del Sur, led by Sacyr Concessions, has put the financing in place for the Rumichaca-Pasto road for a total of 1.8 trillion pesos (513 million euros).

The international financial institutions that have participated in the financial closing are:

- Overseas Private Investment Corporation (OPIC), J.P. Morgan and Metlife of the United States.
  - Banco Santander and Instituto de Crédito Oficial (ICO) of Spain.
  - Sumitomo Mitsui Banking Corporation (SMBC) and Mitsubishi UFJ Financial Group (MUFG) of Japan.
  - Crédit Agricole of France.
  - Bank of China
- **Sacyr closes the financing of the Route 2 and Route 7 highways in Paraguay in the amount of 440 million euros, with the participation of international banks.**

The Rutas del Este consortium has closed a deal for the financing of Routes 2 and 7 in the amount of more than 440 million euros (500 million dollars), with the participation of international banks.

Led by Sacyr Concessions, the Rutas del Este consortium has issued 240 million dollars of bonds to finance the widening of the Route 2 and Route 7 highways in Paraguay. The bonds were 2.5 times oversubscribed, demonstrating the soundness of the project and the confidence it inspires in international investors. The bonds pay interest of 5% and have a maturity of 17 years.

The Rutas del Este consortium, comprising Sacyr (60%) and the Paraguayan firm Ocho A (40%), also has up to 200 million dollars of financing from the Inter-American Development Bank (IDB Invest) to carry out the work, which will require an investment of approximately 520 million dollars.

The construction and widening of Routes 2 and 7 is the first highway project to be carried out under Paraguay's PPP law. The project is crucial to the country's growth, as these roads form the most important corridor, in which 70% of Paraguay's economic activity is concentrated.

- **Sacyr refinances the Antofagasta hospital in Chile with two bond issues totalling 254 million euros.**

Sacyr Concessions has successfully closed, at historically low rates, two bond issues (Series A and Series B) in Chile for 190,800 million pesos, the equivalent of 253.8 million euros.

The issue was very well received in the Chilean market, with demand 2.5 times the offered price, bearing out the confidence of the investor community in the strategy being pursued in Chile and in the group's expected business performance.

The Series A bonds (153,700 million pesos, the equivalent of 204.4 million euros) will accrue fixed annual interest of 1.3% over their 12 years of life, while the Series B bonds (37,158 million pesos, equivalent of 49.4 million euros), with a term of 9 years, will accrue interest of 1.25%.

- **Sacyr closes the financing of the Puerta del Hierro motorway in Colombia in the amount of 185 million dollars (168 million euros).**

Sacyr Concessions has reached financial close on the Puerta de Hierro – Palmar de Varela and Carreto-Cruz del Viso motorway concession in Colombia in the amount of 185 million dollars (168 million euros) with Banco Santander and BTG Pactual.

The Puerta de Hierro project is currently in the construction phase, over 50% completion, and work is being carried out on approximately 95 construction fronts, generating 2,563 direct and indirect jobs.

The concessionaire has also carried out around 500 social and environmental activities with the local community, including socialisation, training, workshops, productive projects and workshops, benefiting more than 6,000 people.

## Commissioning

- In June, Sacyr brought into service the first 5.7 km segment of the **Pedemontana-Veneta** highway and two junctions in Italy's Veneto region.

This segment, located in the province of Vicenza, will directly link the "SP111 - Nuova Gasparona" provincial road to the A31 motorway, giving direct access to the motorway from the Breganze metropolitan area and better access for the whole of the Bassano del Grappa and Marostica metropolitan area.

- In October, Sacyr brought into service the **Routes 21 and 24** concession in Uruguay, nine months ahead of schedule. This motorway is Uruguay's first public-private-partnership road project. The project involves the design, construction, operation and financing of the road infrastructure of Route 21, the section between Nueva Palmira and Route 2, Route 24 between Route 2 and Route 3, and the Nueva Palmira Bypass. Routes 21 and 24 make up the main West Coast transit corridor, which carries 50 per cent of the country's heavy traffic.

## SACYR ENGINEERING AND INFRASTRUCTURES

(Thousands of euros)	Dec 2019	Dec 2018	% Chg
<b>Revenue</b>	<b>2,074,173</b>	<b>1,713,022</b>	<b>21%</b>
<b>EBITDA</b>	<b>253,086</b>	168,440	50%
<b>EBITDA margin</b>	<b>12.2%</b>	9.8%	

At 31 December 2019, the revenue of the Engineering and Infrastructures division reached 2,074 million euros, an increase of 21% compared to the previous year. This increase is the combined result of +17% growth in international markets and +45% growth in Spain.

The Engineering and Infrastructures division continues to have a large international presence, having generated 83% of its revenues outside Spain.

The growth of the Engineering and Infrastructures business is due to the strong rate of execution of backlog projects (e.g. in Colombia, Uruguay, United States, Peru, United Kingdom, Chile, Spain, and others) and the contribution of the Pedemontana–Veneta motorway project in Italy. A large part of these projects is carried out for our Concessions division, achieving major synergies for the group.

All these factors have helped bring EBITDA at 31 December 2019 to 253 million euros, representing strong growth of 50% compared to the previous year. The EBITDA margin was 12.2%, marking an improvement of 240 basis points in the profitability of this business.

### Procurement and Backlog

The Engineering and Infrastructures backlog reached 7,134 million euros, an increase of 15% compared to December 2018. This backlog covers 41 months of activity at the current rate of earnings and includes a large proportion (88%) of international projects.

Approximately 55% of the Engineering and Infrastructures backlog consists of infrastructure projects for Sacyr Concessions.

Below are some of the projects awarded in 2019.

At international level:

- Construction and rehabilitation of the “**Ferrocarril Central**” railway in Uruguay, with an estimated total budget of 735 million euros.
- Construction of the 142 km “**Ruta 66 Camino de la Fruta**” motorway in Chile, with an estimated budget of 383 million euros.
- Rebuilding and widening of the “**IH35E interstate highway**” in Texas, with a budget of approximately 102 million euros. This project is Sacyr’s first construction contract in Texas (USA).
- Construction of the “**Los Vilos-La Serena**” stretch of motorway in Chile, with an estimated backlog value of 331 million euros.
- Construction of the “**Sótero del Río hospital**” in Chile, with an estimated investment of 328 million euros.
- Construction of the new “**Polyclinic hospital**” in Milan, with a total budget of approximately 155 million euros.
- Construction of the “**Provincia Cordillera hospital**” in the commune of Puente Alto, Chile, with an investment of approximately 153 million euros.
- Construction of the “**Corredor Internacional Sur**” railway line, as part of the Portuguese high-speed rail system, for a total of approximately 130 million euros.
- Construction of the prolongation of the **Edinburgh tram**, with a total budget of approximately 120 million euros.
- **Urban development works in Qatar**, specifically in South Al Meshaf, south of Doha, for a total of approximately 114 million euros.
- Expansion of “**Chacatulla airport**” in Chile, with an estimated backlog value of 61 million euros.

- Construction of **sections 1 and 2 of the central section of the North-South railway line** in Brazil, connecting the cities of Belem with Porto Alegre, for a total of 61 million euros.
- Track maintenance and electrification works in the **Portuguese national rail network** for a total of approximately 40 million euros.
- Construction of 205 km of **road in Áncash**, north of Lima, Peru, for a total of approximately 34 million euros.
- Renovation of the “**Monumental**” building in Plaza Saldanha in Lisbon for approximately 25 million euros.
- Renovation and repair of the **Irish rail network** for a total of 21 million euros.

In Spain:

- Construction of **various building projects** for a total of approximately 125 million euros.
- Construction of the “**Arejos-Níjar**” **stretch of the AVE high-speed train** in Almería, as part of the Mediterranean corridor for a total of approximately 98 million euros.
- Maintenance, electrification and construction work on **various railway lines** for a total of approximately 96 million euros.
- Construction of the new building that will link Terminals 1 and 2 of **Tenerife South Airport** in the Canary Islands for a total of approximately 44 million euros.
- Construction and maintenance of the “**Madrid-León**” **AVE high-speed rail lines** for a total of approximately 43 million euros.
- Construction of the “**Hernani-Astigarraga**” **section of the new high-speed rail (AVE) network in the Basque Country** for approximately 38 million euros.
- Widening of the **Turia Highway** (CV-35) in the Valencian Community for a total of approximately 37 million euros.

- Remodelling and construction work in the **Gregorio Marañón Hospital** in Madrid for a total of approximately 34 million euros.
- Remodelling work on the **M-40 ring road which connects with A-6 motorway** in Madrid for a total of approximately 25 million euros.
- **Irrigation networks project in the Armuña irrigation area** (Salamanca) for approximately 25 million euros.

After the close

- Sacyr Engineering and Infrastructures was awarded the construction of a 13.2-kilometre relief route for the **US59 highway** in Diboll, Texas.

### Significant Milestones

- Inauguration of the “**Pumarejo Bridge**” over the Magdalena River in Barranquilla, Colombia. With a total length of 2,173 metres, the “Pumarejo Bridge” is one of the longest cable-stayed bridges in Colombia and the widest cable-stayed bridge in Latin America, with a width of 38.10 metres.
- After the close, on 24 January 2020, the new “**Hisgaura Bridge**” on the Los Curos – Málaga road in the Department of Santander, Colombia, was brought into service. At 580 meters long and 147 meters high at its highest point, the “Hisgaura Bridge” is the largest cable-stayed bridge in the whole of Latin America (with 128 stays) and the highest structure in the whole of Colombia.

## SACYR SERVICES

(Thousands of euros)	Dec 2019	Dec 2018	% Chg
<b>Revenue</b>	<b>1,136,575</b>	<b>1,075,310</b>	<b>5.7%</b>
Environment	473,307	438,578	
Multiservices	531,667	507,958	
Water	126,240	123,800	
Central	5,361	4,974	
<b>EBITDA</b>	<b>108,906</b>	<b>94,721</b>	<b>15.0%</b>
Environment	62,575	50,607	
Multiservices	25,087	19,699	
Water	22,170	23,117	
Central	(926)	1,298	
<b>EBITDA Margin</b>	<b>9.6%</b>	<b>8.8%</b>	

At 31 December 2019, the revenue of Sacyr Services reached 1,137 million euros, an increase of 6% compared to the previous year. This growth is thanks to the contribution of the Services business's three divisions: Environment, Multiservices and Water. It reflects the growth in the Services activity, which to an increasing extent is focused on public and private service concessions and contract profitability.

By business area, the growth is as follows:

- Environment posted growth of 8% in revenue and 24% in EBITDA, with contributions from contracts: (i) outside Spain, such as the waste collection and transport contract in Bogotá, Colombia and the commissioning of the Melbourne (Australia) waste treatment plant; and (ii) in Spain, such as the Melilla waste collection contract and the contract for underground container installation and waste collection and transport in the city of Madrid,
- Multiservices achieved revenue growth of 5% and EBITDA growth of 27%, thanks to contributions from major contracts: (i) outside Spain, including the Antofagasta Hospital service, operation and maintenance contract and various infrastructure

maintenance contracts in Chile, Peru, etc.; and (ii) in Spain, mostly related to home care services.

- The Water division remains highly profitable, thanks to the margins on the contracts in backlog and the addition of new contracts to the backlog.

EBITDA reached 109 million euros, representing growth of 15% in 2019 compared to the previous year. This significant improvement was supported by all the division's areas, while also bringing the EBITDA margin to 9.6%, up 80 basis points on the previous year.

## Procurement and Backlog

The Sacyr Services backlog totals 5,124 million euros, of which 23% is international. Sacyr Servicios continues to pursue opportunities both internationally and in Spain.

Noteworthy contracts this division has won include the following:

### Environment:

- **Street cleaning, waste collection and waste transport services in the municipality of Santa Cruz de Tenerife** for a total of 142 million euros, with a contract term of eight years, which may be extended for a further two years.
- **Street cleaning, beach cleaning, urban waste collection and other services in the municipality of Teide, Gran Canaria**, for a total of 55 million euros and a concession term of 15 years.
- **Street cleaning and urban waste collection services in Toledo and Cádiz** for a total of 18 million euros.
- **Urban waste transfer and transport service in Viladecans, Barcelona**, for a total of 13 million euros, with a contract term of three years, renewable for a further two years.
- **Conservation of gardens, flowerbeds and urban trees in the city of Burgos** for a total of 9 million euros and a concession term of four years.

- **Urban waste containerisation, collection and transport service, lot 1, for the city of La Coruña**, for a total of 8 million euros and a contract term of eight years.

### Multiservices

- **Cleaning services at Terminals 1 and 2 of El Prat Airport in Barcelona** for a total of 70 million euros, with a contract term of three years.
- Renewal of the **home-assistance service for Madrid City Council** for a total of 56 million euros.
- **Services supplementary to the medical care services at Tláhuac General Hospital** in Mexico City for our concessionaire.
- **Adolfo Suarez Madrid-Barajas Airport cleaning service**, phase IV, lot 1, for a total of 34 million euros, with a contract term of three years.
- **Cleaning, disinfection, rat and insect extermination, and waste management services** for various work centres of Correos y Telégrafos, Nexea Gestión Documental and Correos Express in Spain for a total of 18 million euros, with a contract term of two years.
- **Cleaning, waste management and landscape services for MallPlaza shopping centres** in Chile for a total of 16 million euros, with a contract term of four years.
- **Cleaning services in various shopping centres, offices and corporate buildings, as well as full maintenance of the Arauco Coronel shopping centre** in Chile, for a total of 15 million euros, with a contract term of three years.
- **Operation and Maintenance Contract for Routes 2 and 7** for the Rutas del Este Concessionaire in Paraguay.
- Renewal of the **home-assistance service for Barcelona City Council** for a total of 14 million euros.
- Execution of various **upkeep and maintenance operations in the ZA-04 sector** in Zamora for a total of 13 million euros, with a contract term of three years.

- **Cleaning services for the Puerta al Mar Hospital, San Carlos Hospital and affiliated facilities in Cádiz** for a total of 14 million euros, with a contract term of two years.
- Renewal of the **upkeep and service contract for the Valles del Desierto motorway** in Chile for 13 million euros, with a contract term of four years.
- **Management and upkeep of 436 kilometres of road in the road corridor** linking the departments of Ayacucho, Huancavelica and Junín in Peru for a total of 10 million euros, with a contract term of three years.
- **Management and upkeep of the 324-kilometre road corridor between Cusco and Echarate** in Peru for a total of 8 million euros, with a contract term of three years.
- **Cleaning services for the Zamora primary care department** for a total of 6 million euros, with a contract term of two years.

## Water

- **Operation, maintenance and upkeep of two desalination plants in Alicante** for a total of 16 million euros, with a contract term of four years.
- **Drinking water supply and sewage service for the municipality of Biar (Alicante)** for a total of 9 million euros.
- **Operation, maintenance and upkeep of wastewater transport and treatment facilities** in the Northwest and Pyrenees areas of Navarra for a total of 5 million euros.
- **Drinking water supply and sewage management service for the town of Ribadesella (Asturias)** for a total of 5 million euros, with a contract term of five years.
- **Sanitation, lot 2, for the “Agua de Bilbao” consortium** for a total of 4 million euros, with a contract term of three years, renewable for another two years.

## Significant Milestones

- In May, Sacyr brought into service **the group's first waste treatment plant in Australia**. Located in Melbourne, the facility will service the more than 1.2 million residents of the area's eight townships. It has a maximum treatment capacity of 120,000 tonnes per year.
- In early October 2019, Sacyr brought into service the **Sohar seawater desalination plant off the coast of Al Batinah (Oman)**. This reverse osmosis plant is the second largest in the country and has enough capacity to produce 250,000 cubic metres of water per day to supply nearly 220,000 people. The project entailed an investment of nearly 200 million euros and will be operated by the group for a period of 20 years.

## SACYR INDUSTRIAL

(Thousands of euros)	Dec 2019	Dec 2018	% Chg
<b>Revenue</b>	<b>352,389</b>	<b>526,722</b>	<b>-33.1%</b>
Oil and Gas	117,528	138,743	
Industrial processing plants	23,925	91,503	
Water	43,968	86,481	
Elec. generation, grid and transmission	163,649	208,229	
Central	3,318	1,766	
<b>EBITDA</b>	<b>23,126</b>	<b>36,342</b>	<b>-36.4%</b>
<b>EBITDA margin</b>	<b>6.6%</b>	<b>6.9%</b>	

As already indicated in previous quarters, 2019 was a year of transition for the Industrial division, as various large projects in its backlog were completed. At 31 December 2019, Sacyr Industrial posted revenue of 352 million euros.

- Oil and Gas revenue came to 118 million euros, a decrease compared to the previous year due to the completion of major ongoing projects, notably the gasoline module at the "La Pampilla refinery and the Nuevo Mundo compressor station, both in Peru. Also, during this period, the first scheduled recapex programme at the Nuevo Mundo plant in Peru was started.
- The Industrial processing plant business posted year-end 2019 revenue of 24 million euros, compared to 92 million euros the previous year. This contraction was influenced by the near-completion of the Chimborazo (Ecuador) and Oruro (Bolivia) cement plants and the completion of the industrial waste treatment plant in Melbourne (Australia).
- The revenue of the Water business was affected by the completion of the Sohar desalination plant in Oman, partly offset by projects in Australia, including the Neerabup (Perth) drinking water plant and the first phase of the Adelaide Irrigation Plan.
- The Electricity generation, grid and transmission area posted revenue of 164 million euros at 31 December 2019, compared to 208 million euros the previous year. The performance of the EPC business during this period was marked by the increase in the rate of execution of projects such as the three solar PV plants in Ciudad Real (Spain), the construction of wind turbines for a wind farm in Lugo (Spain) and electricity infrastructure maintenance in Chile and Panama. In 2019 the generation business contributed only 10 months of operation, as this business was sold in the last quarter, whereas in 2018 it contributed a full 12 months.

At 31 December 2019, this area posted EBITDA of 23 million euros, with an EBITDA margin of 6.6%.

## **Procurement and Backlog**

At 31 December 2019, the Industrial division's backlog stood at 679 million euros. The changes in the backlog are due to the deconsolidation of the power plants disposed of during the last quarter of the year, as discussed above.

The following projects were awarded:

- A consortium including Sacyr Industrial was awarded the construction and installation of the **Moquegua 1 and Moquegua 3 hydroelectric power plants in Peru** for a total of 102 million euros, with an execution period of 30 months. The two plants will have aggregate installed capacity of 34 megawatts.
- Construction contracts for **two wind farms**, one in Bio Bio (84MW) and one in Antofagasta (155MW), both in Chile. The projects involve laying foundations, preparing accessways (which includes upgrading the road from the unloading port) and building a collector substation and feeder for each wind farm. 28 million euros and 33 million euros, respectively.
- Construction, assembly and commissioning of the building and facilities of the primary crusher and conveyor belt and of the building and facilities of the truck repair shop at the **Quellaveco copper mine** in the department of Moquegua (Peru).
- Expansion of the **groundwater purification plant in Neerabup**, north of Perth (Western Australia). The plant's treatment capacity will be increased from 100,000 to 150,000 cubic metres per day.
- Construction of a **5MW pilot geothermal plant** in Laguna Colorada in Bolivia for 15 million euros. If the project is successful, a new 100MW plant may be built in two stages of 50MW each.
- Engineering contract and supply of materials for the construction of a **3.3MW solar PV plant and irrigation system for 1,640.35 ha** in Castril, Spain. Sacyr Industrial (100%) for a total of 13 million euros.

## Significant Milestones

During this last quarter Sacyr Industrial successfully completed the construction of three solar PV plants (Picón I, Picón II and Picón III) in the municipality of Porzuna (Ciudad Real), with an installed capacity of 150MWp.

## VI. Stock Market Performance

SACYR	DECEMBER		% Chg 19/18
	2019	2018	
Market Price at closing (euros per share)	2.60	1.74	49.08%
High share price	2.72	2.77	-1.95%
Low share price	1.69	1.54	10.10%
Market Capitalization at closing (Thousands of euros)*	1,513,216	1,015,018	49.08%
Average Trading Volume (Thousands of euros)	1,008,879	1,466,440	-31.20%
Average Daily Trading Volume (Number of shares)	1,750,740	2,430,538	-27.97%
Liquidity (%)	100	100	
Number of shares (Thousands)	582,006	553,555	5.14%
Share Nominal Value	1 EURO	1 EURO	

\* Adjusted in 2018 for the Capital Increases of February and June

## VII. Significant Holdings

Details of the group's significant holdings at 31 December 2019, based on the data contained in the register kept by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear), are as follows:

	December-19
Disa Corporación Petrolífera, S.A.	12.64%
Grupo Corporativo Fuertes, S.L.	6.32%
Beta Asociados, S.L.	5.95%
Prilomi, S.L.	4.69%
Prilou, S.L.	3.57%
Others	66.84%
<b>Total</b>	<b>100.00%</b>

## VIII. Appendix: ALTERNATIVE PERFORMANCE MEASURES

The Sacyr Group presents its earnings in accordance with International Financial Reporting Standards (IFRS). The group also provides certain additional financial measurements (known as Alternative Performance Measures, or APMs), which are used by management in decision making and in evaluating the group's financial performance, cash flows and financial position.

In order to comply with the Guidelines on Alternative Performance Measures (2015/1415en) published by the European Securities and Markets Authority (ESMA), the table below gives details of each APM, including its definition, reconciliation, explanation of its use, comparisons and consistency.

The Sacyr Group considers that this additional information improves the comparability, reliability and comprehensibility of its financial information.

### ALTERNATIVE PERFORMANCE MEASURES

**Gross operating profit/(loss) (EBITDA):** this indicator shows operating profit or loss before depreciation and amortisation and any change in provisions, excluding extraordinary/ non-recurring profits and losses.

**Operating profit/(loss) (EBIT):** Calculated as the difference between Operating income (Revenue, Own work capitalised, Other operating income, Government grants released to the income statement) and Operating expenses (Staff costs, Depreciation and amortisation expense, Changes in provisions and Other).

**Gross debt:** Comprises Non-current financial debt and Current financial debt as shown on the liabilities side of the consolidated statement of financial position, which includes bank borrowings and issues in capital markets (bonds).

**Net debt:** Calculated as Gross debt less Other current financial assets and Cash and cash equivalents, from the asset side of the consolidated statement of financial position.

**Project finance debt (gross or net):** This is the financial debt (gross or net) from project companies. In this type of debt, the guarantee received by the lender is limited to the project cash flow and its asset value, with limited recourse to shareholders.

**Corporate debt (gross or net):** Debt held by the group's Parent, comprising bank borrowings and issues in capital markets.

**Financial result:** The difference between Total finance income and Total finance costs.

**Backlog:** Value of work still to be performed under contracts already awarded and signed. Work is added to backlog when the final contract is signed. The backlog is shown as the percentage attributable to the group, depending on the consolidation method.

Once a contract has been included in the backlog, the value of the work to be performed under that contract remains in the backlog until the work has been completed or is cancelled. Nevertheless, valuation adjustments are made to reflect any changes in prices and contract terms agreed with the client. Due to a number of factors, all or part of the backlog linked to a contract may not actually become revenue. The backlog is subject to project adjustments and cancellations and cannot be taken as an exact indicator of future earnings.

Given that IFRS do not provide for any comparable financial measure, it is impossible to reconcile the backlog with the financial statements. Sacyr Management considers that the backlog is a useful indicator of the group's future revenues and a customary indicator used by companies in the sector in which Sacyr operates.

The concessions backlog represents the estimated future revenues from concessions over the concession period, based on the financial plan for each concession. It includes assumptions regarding changes in the euro exchange rate, inflation, prices, tolls and traffic volumes.

**Market capitalisation:** The number of shares at the reporting date, multiplied by the year-end share price.

**Like-for-like basis:** On occasions, certain figures are corrected to permit a year-on-year comparison, for example, by eliminating non-recurring impairment, significant changes in the consolidation scope that could distort year-on-year comparisons of indicators such as



sales, the effect of exchange rates, etc. In each case, details are provided in the notes to the corresponding item.

**Average Daily Traffic (ADT):** Defined as the total number of users of a concession during a day. ADT is normally calculated as the total number of vehicles travelling on the motorway each day.

For more information, please contact:

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